

0950 State Treasurer

The State Treasurer, a constitutionally established office, provides banking services for state government with goals to minimize interest and service costs and to maximize yield on investments. The Treasurer is responsible for the custody of all monies and securities belonging to or held in trust by the state; investment of temporarily idle state monies; administration of the sale of state bonds, their redemption and interest payments; and payment of warrants drawn by the State Controller and other state agencies.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10 Investment Services	17.5	16.2	16.2	\$2,531	\$2,822	\$2,829
20 Cash Management	48.9	49.7	49.7	7,056	7,950	7,973
30 Public Finance	43.6	49.4	49.4	5,676	6,317	6,338
35 Securities Management	19.3	27.2	27.2	3,733	4,439	4,453
50.01 Administration and Information Services	78.9	80.3	84.1	9,818	10,426	10,920
50.02 Distributed Administration	-	-	-	-7,783	-8,077	-8,090
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	208.2	222.8	226.6	\$21,031	\$23,877	\$24,423
FUNDING				2005-06*	2006-07*	2007-08*
0001 General Fund				\$2,660	\$6,542	\$6,555
0995 Reimbursements				18,371	17,335	17,868
TOTALS, EXPENDITURES, ALL FUNDS				\$21,031	\$23,877	\$24,423

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

California Constitution Article XVI, Sections 1.5 and 7; and Government Code Sections 12300-12333, 16300-16600, 53661.

DETAILED BUDGET ADJUSTMENTS

	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Baseline Adjustment Descriptions						
• FI\$Cal Project Funding	\$-	\$-	-	\$-	\$481	3.8
• Other Baseline Adjustments	410	698	-	423	750	-
Totals, Baseline Adjustments	\$410	\$698	-	\$423	\$1,231	3.8
TOTALS, BUDGET ADJUSTMENTS	\$410	\$698	-	\$423	\$1,231	3.8

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 INVESTMENT SERVICES

The Investment Division is responsible for investment of state monies from the date of receipt through the date of redemption. During the 2005-06 fiscal year, this Division handled 10,273 security investment transactions totaling \$355.6 billion. The Pooled Money Investment Board program accounted for 6,353 of these transactions totaling \$303.1 billion; time deposits accounted for 1,889 transactions totaling \$43.7 billion. The remaining \$8.8 billion is invested on behalf of the state's special funds, such as those associated with the California Housing Finance Agency, the Department of Fish and Game, the state's retirement system, etc. The Division also administers the Local Agency Investment Fund (LAIF), a voluntary investment program created to offer California local agencies greater access to the financial markets through the Pooled Money Investment Board program. In the 2005-06 fiscal year, 2,635 local agencies participated in LAIF, with deposits averaging \$16.6 billion for the fiscal year.

20 CASH MANAGEMENT

The Cash Management Division is responsible for managing the state's cash resources as mandated by the Pooled Money Investment Board and Government Code Sections 16500 through 16510. The Division analyzes the state's cashflow and completes daily, weekly, and monthly forecasts of available cash, which allows others to make informed investment and business decisions. The Division is also responsible for administering the Centralized Banking Services Program. The main component of this program is the Centralized Treasury System. The system is responsible for processing and reconciling state warrants and agency checks presented by banks for payment, processing stop payment and forgery items, and reconciling all of the state's deposits within the Treasury System. In addition, the Division is responsible for maintaining the

* Dollars in thousands, except in Salary Range.

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state's vault which is used for the safekeeping of moneys and securities pursuant to Government Code Section 12320 and for providing security in the handling and processing of billions of dollars in negotiable securities.

30 PUBLIC FINANCE

The Public Finance Division is responsible for selling all State of California general obligation bonds, revenue anticipation notes, commercial paper notes, revenue bonds, and any other indebtedness including securitization of assets. The Division also provides trust services for most state bonds. Interim financing from the Pooled Money Investment Account is also arranged to meet the immediate cash needs of the various bond programs. Interest costs are minimized through a planned bond-marketing program. This program includes disseminating information to bondholders through the Investor Relations Program.

The Division also assures compliance with federal tax laws applicable to state debt by investing and reinvesting bond sale proceeds as needed to meet federal yield restriction requirements, tracking expenditures, and computing and rebating arbitrage profit or other payments to the federal government.

35 SECURITIES MANAGEMENT

The Securities Management Division is responsible for: the service and redemption of all State of California general obligation bonds, revenue anticipation notes, revenue warrants, and revenue bonds for which the State Treasurer's Office serves as Trustee; the clearing, settling, income collection, and accountability for all state investments (excluding PERS and STRS) and other securities and personal property owned by or pledged to the state. The Division is made up of three sections: Executive, Securities Clearance, and Debt and Data Management.

50 ADMINISTRATION AND INFORMATION SERVICES

The Administration Division, Executive Office, and the Information Services Division provide executive direction and support services to programs in the State Treasurer's Office. Services include budgeting, personnel, accounting, information systems, business services, technical support, and production operations.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		<u>2005-06*</u>	<u>2006-07*</u>	<u>2007-08*</u>
PROGRAM REQUIREMENTS				
10	INVESTMENT SERVICES			
	State Operations:			
0001	General Fund	\$517	\$606	\$607
0995	Reimbursements	<u>2,014</u>	<u>2,216</u>	<u>2,222</u>
	Totals, State Operations	\$2,531	\$2,822	\$2,829
PROGRAM REQUIREMENTS				
20	CASH MANAGEMENT			
	State Operations:			
0001	General Fund	\$405	\$2,543	\$2,544
0995	Reimbursements	<u>6,651</u>	<u>5,407</u>	<u>5,429</u>
	Totals, State Operations	\$7,056	\$7,950	\$7,973
PROGRAM REQUIREMENTS				
30	PUBLIC FINANCE			
	State Operations:			
0001	General Fund	\$372	\$1,630	\$1,638
0995	Reimbursements	<u>5,304</u>	<u>4,687</u>	<u>4,700</u>
	Totals, State Operations	\$5,676	\$6,317	\$6,338
PROGRAM REQUIREMENTS				
35	SECURITIES MANAGEMENT			
	State Operations:			
0001	General Fund	\$1,258	\$1,661	\$1,664
0995	Reimbursements	<u>2,475</u>	<u>2,778</u>	<u>2,789</u>
	Totals, State Operations	\$3,733	\$4,439	\$4,453
PROGRAM REQUIREMENTS				
50	ADMINISTRATION AND INFORMATION SERVICES			
	State Operations:			

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	2005-06*	2006-07*	2007-08*
0001 General Fund	\$108	\$102	\$102
0995 Reimbursements	1,927	2,247	2,728
Totals, State Operations	\$2,035	\$2,349	\$2,830
ELEMENT REQUIREMENTS			
50.01 Administration and Information Services	9,818	10,426	10,920
50.02 Distributed Administration	-7,783	-8,077	-8,090
TOTALS, EXPENDITURES			
State Operations	21,031	23,877	24,423
Totals, Expenditures	\$21,031	\$23,877	\$24,423

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	208.2	234.3	234.3	\$12,083	\$13,627	\$13,981
Total Adjustments	-	-	4.0	-	547	957
Estimated Salary Savings	-	-11.5	-11.7	-	-686	-724
Net Totals, Salaries and Wages	208.2	222.8	226.6	\$12,083	\$13,488	\$14,214
Staff Benefits	-	-	-	4,107	4,803	4,444
Totals, Personal Services	208.2	222.8	226.6	\$16,190	\$18,291	\$18,658
OPERATING EXPENSES AND EQUIPMENT				\$4,841	\$5,586	\$5,765
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$21,031	\$23,877	\$24,423

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$6,068	\$6,132	\$6,555
Allocation for employee compensation	-	371	-
Adjustment per Section 3.60	-	39	-
Totals Available	\$6,068	\$6,542	\$6,555
Unexpended balance, estimated savings	-3,408	-	-
TOTALS, EXPENDITURES	\$2,660	\$6,542	\$6,555
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$18,371	\$17,335	\$17,868
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$21,031	\$23,877	\$24,423

FUND CONDITION STATEMENTS

	2005-06*	2006-07*	2007-08*
3059 Fiscal Recovery Fund^s			
BEGINNING BALANCE	-	\$612,196	\$612,196
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
115100 Retail Sales and Use Tax-Fiscal Recovery	\$1,419,684	1,424,000	1,511,000
Transfers and Other Adjustments:			

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	2005-06*	2006-07*	2007-08*
TO0001 To General Fund loan repayment per Item 9840-011-0001, Budget Act of 2003	-1,000	-	-
Total Revenues, Transfers, and Other Adjustments	\$1,418,684	\$1,424,000	\$1,511,000
Total Resources	\$1,418,684	\$2,036,196	\$2,123,196
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee			
State Operations	10,699	14,560	15,110
Unclassified	795,789	1,409,440	1,495,890
Total Expenditures and Expenditure Adjustments	\$806,488	\$1,424,000	\$1,511,000
FUND BALANCE	\$612,196	\$612,196	\$612,196
Reserve for economic uncertainties	612,196	612,196	612,196

3090 Deficit Recovery Bond Retirement Sinking Fund Subaccount, Budget

Stabilization Account ^s

BEGINNING BALANCE	\$92,917	\$12,038	\$12,038
Prior year adjustments	56	-	-
Adjusted Beginning Balance	\$92,973	\$12,038	\$12,038
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	711	-	-
160400 Sale of Fixed Assets	11,981	54,641	335
Transfers and Other Adjustments:			
FO1011 From Budget Stabilization Account per Article XVI, Section 20(f) of the California Constitution	-	471,770	1,023,005
Total Revenues, Transfers, and Other Adjustments	\$12,692	\$526,411	\$1,023,340
Total Resources	\$105,665	\$538,449	\$1,035,378
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee (Unclassified)	93,627	526,411	1,023,340
Total Expenditures and Expenditure Adjustments	\$93,627	\$526,411	\$1,023,340
FUND BALANCE	\$12,038	\$12,038	\$12,038
Reserve for economic uncertainties	12,038	12,038	12,038

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Totals, Authorized Positions	208.2	234.3	234.3	\$12,083	\$13,627	\$13,981
Salary Adjustments	-	-	-	-	547	605
Proposed New Positions:				Salary Range		
FI\$Cal Project:						
C.E.A. II	-	-	1.0	7,302-8,051	-	97
Treasury Program Manager III	-	-	1.0	6,884-7,590	-	91
Treasury Program Manager II	-	-	2.0	5,664-6,832	-	164
Totals, Proposed New Positions	-	-	4.0	\$-	\$-	\$352
Total Adjustments	-	-	4.0	\$-	\$547	\$957
TOTALS, SALARIES AND WAGES	208.2	234.3	238.3	\$12,083	\$14,174	\$14,938

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